



YEI's Guide to choosing a retirement village/home

Finding the right home is one of Retirement's BIG questions. There is an enormous variation as to what is on offer from one retirement home or village to the next. From freestanding cottages and units to frail care and assisted living, plus a host of recreational amenities such as the clubhouse, restaurants and sports facilities.

In addition, moving into a retirement facility can be very stressful and emotional. YEI invites you to consider these factors before making a decision...

Decide on a location

Deciding on where to retire is a big decision. However, this decision is a critical one, and one that can make all the difference to your happiness, for what could be a long time. You may prefer to stay in your existing community. You may prefer to move closer to family members. You may prefer to move to an area where you have always wanted to live, such as on the coast or in a favoured holiday destination. The decision on where to live should be the first you should make in this new phase of your life and this will help you focus your search criteria and let you shop around to compare options in the destinations you have chosen to look at. You may choose to rent for a period of time, to ensure that you have made the right decision.

Think about the following:

- Decide on a list of five locations that you would like to live.
- Visit each location, looking at the area objectively and through the eyes of a resident.
- Think of the following when considering a location:
 1. What facilities do you require?
 2. What lifestyle elements are you looking for?
 3. Do you wish to be close to family and/or friends?
- If you are still undecided, create a list of pros and cons for each area and this may help you narrow down your choice.

Waiting lists

Many retirement villages and homes have lengthy waiting lists – one retirement village we know of has a waiting list of over 2000 people. Generally, you need to put down a deposit, which is usually deducted from the price of the home that you buy. If you decide not to buy a house in the village, it is usually non-refundable. The process usually works that the top 10-100 names on the list are contacted when a vacancy becomes available.

YEI's tip:

Best to get your name down on a retirement home or village's waiting list as soon as possible, as early as in your 50's, or even in your 40's.



Buying into retirement property – understand the different types of ownership?

When buying into a retirement property, it is essential that you understand the types of ownerships of retirement properties that are on offer, and that best suit your needs.

There are three ownership options available to you when buying retirement property – sectional title, share block and life rights.

Sectional Title

Registration of a sectional title property is very similar to other sectional title purchases. Registration of the property is concluded through the Deeds Office and needs to be done by a conveyancer. There are the usual sectional title costs and fees involved which is transfer duty and conveyancing attorney fees. As the owner of a sectional title unit, you will automatically become a member of the body corporate – this will afford you the opportunity to be involved and have a say as to how the scheme is run.

Share Block Scheme

A company owns the retirement building and allocates a number of shares to that building – these are divided into blocks of shares. If you become the owner of shares in this company, you then have the right of occupation to certain portions of the building. Therefore, share block residents own shares in a company and not a section of the building. It can happen that a share block scheme is converted to sectional title. In this case, 30% of the owners in the scheme have to vote to convert. After the conversion takes place, at least half of the owners must support the resolution. Once this has happened, you will take transfer of your unit and will become a property owner, instead of a share owner.

Life Rights

With life rights, you do not own the property. Buyers have the right to live in a property – this in terms of the Housing Development Scheme for Retired Persons Act.

If the investors in a life right scheme are married, the life right agreement extends to their spouse. When either one of you dies, the surviving spouse has the right to continue to occupy the property. When buying into a Life Rights Agreement, there are no legal costs, transfer duties or other taxes payable in this option.

You need to establish the total value of the refund when your Life Right comes to an end. You also need to enquire if there is a sliding scale for the refund amount of a Life Right, based on how long you have lived in the unit. Find out how and when the refund will be paid, and who is responsible for the resale of the Life Right?

It is imperative that you research each of the options and implications of the sale prior to committing yourself. The retirement village itself or the estate agent is in a position to provide all relevant information about what sale options are available.



Financial considerations

YEI highly recommends that you consult with your Financial Advisor and a Lawyer when it comes to considering not only immediate costs but also long-term costs. YEI also recommends that you draw your immediate family members into this conversation as well.

Think about:

- Making a Cost analysis, considering incoming and outgoing costs to assist you in your decision.
- Have a look at fee structures, levies, rates, home insurance and any additional monthly costs that may be incurred
- The financial implications should you decide to leave and find out beforehand if there are any penalties or fees involved. This kind of information should be provided to you in writing up-front in an easy to understand manner. The legal aspects of this decision go hand-in-hand with the financial
- The cost involved should you decide to sell, or in the event of your death
- What "buy back" facility does the management company provide
- Does the village provide assistance to sell the unit if required and are you required to pay for any mandatory refurbishments or cover Marketing or other sales fees.
- What happens if you outlive your assets? If circumstances happen and you are no longer able to afford the retirement village's monthly levies in a life right scheme, then it is possible that the cost of levies and upkeep are deducted from your estate out of the profit of the eventual sale of the unit. You need to ask this question and the response needs to be included in your contract.
- If you are buying into a development, you need to check that your money is paid into an Attorney's Trust Account. Experts have advised that this should be non-negotiable and is for your protection. You need to ensure that the developer is paid on occupation at which time, you should be issued your Life Right Certificate.

Research, research, research

As there are different retirement home options available to South Africans today, it is critical that you not only understand your needs, but also understand the type of village/home you are looking at, plus look at the consequences financially for yourself and your family. YEI highly recommends that you research and explore the following areas to ensure you are properly informed when making your decision:

- Different types of ownership as detailed above.
- The different types of accommodation actually within a Retirement village – Independent Living, Assisted Living, Frail Care. Look at specialised care for Dementia/Alzheimer patients.
- The community dynamics of a retirement village.
- The opportunities for pets in a retirement community.
- What do the levies cover: maintenance, insurance, garden services, frail care, visits to the sister in the Medical Centre, meals?
- Are levies capped? If not, what are the projected annual increases?
- Will you be able to use external suppliers and services such as ISP (internet Service Providers) or will you have to use and pay for "internal" or contracted suppliers
- Can visitors make use of the clubhouse and other amenities in the village?
- Proximity to friends and family, amenities, health services, personal care (hairdresser), shopping, malls, sports facilities



Knowledge is power, and knowing what is available in your selected area is vital to help you make an informed decision. Remember to ask a lot of questions to get the correct information.

YEI tip:

Ask and receive questions via e-mail in order to have the information documented.

Size of unit

Importantly, you need to determine what your needs are and consider how much space you need. Do you need a second bedroom, which could be used as a spare room, or office or down the line a room for a carer to stay. Do you need one or two bathrooms? Is your preference a cottage with a small garden, or a flat? These are the kinds of questions only you can answer, as you consider the space and areas you require, and of course if you can afford it.

Common features you need to decide on:

- Number of bedrooms
- Number of bathrooms
- Second bedroom
- Storage requirements
- Kitchen size
- Living space
- Garage
- Parking availability for a second car
- Visitor parking

Health needs

One of the big questions to ask is if there is access to health and medical services, either on-site, or are there care facilities one can move into in the future, should you require this. Ask if there are ways for you to "age in place", which will allow you to bring in a carer, should you need this at some stage in your life.

Think about the following:

- Are you able to independently employ a carer to assist you if you need to in the future?
- What assisted living and frail care facilities are on-site?
- What happens if you need care, and there are no on-site facilities available?
- What are the processes involved in moving to assisted living or frail care?
- What are the Financial implications of moving from independent living to frail care or assisted living?
- Ask for the process to be explained to you or ask for a copy of their written policy regarding this.
- What is their policy of aging-in-place?



Think about Safety features

Think about the following:

- Are there measures in place to ensure that there are no trip or slip hazards throughout the home?
- Has the shower or bath been modified to accommodate a railing or chair, if needed in the future? If not, is there space to do so should you need it in the future. Are you allowed to make these changes in the future?
- Is the garage sheltered from the elements? Where is it situated?
- Are there any steps in or around your new potential home? Are there lifts or stairlifts to assist you, should you require this in the future? Are you allowed to install a lift or stairlift if required?

Services and facilities in your prospective retirement property

Retirement homes or villages often offer a variety of facilities and amenities such as swimming pools, community centres, bowling greens, hair salons, community kitchens, dining rooms, garden maintenance, property maintenance, transport and social activities

Check to see if there is on-site management available to assist you when needed. Some retirees may prefer to speak to an “actual person”, others may be happy to phone or email for assistance.

YEI recommends that you make a list of your current and possible future physical, health, emotional and financial needs and decide if the facility you are looking at can fulfill these needs.

Security is a significant feature especially if you live alone. It is also a key feature to investigate if you want to travel and have a lock-up-and-go situation. Gated communities provide an extra layer of security allowing you to travel freely within the community, travel and rest easy at night.

Consider the below list of facilities or services and select the ones that are important to you.

- Swimming pool
- Fitness centre
- Library
- Out of home storage
- Visitor parking
- Bowling green
- Aerobic or other exercise classes
- Art or therapy classes
- Shared workshop
- Group trips
- Transport to local shopping centres or medical centres
- Public dining rooms
- Private dining room (as a place to entertain your friends or family)
- Hairdresser and beauty salon
- Community or religious events
- Private gardener
- Onsite management
- Surveillance cameras
- Security screens or Emergency buttons in units
- Visitor logs
- Onsite nurse and medical facility



Pet friendly

For many people, pets are an important part of the family and a key to having a happy and emotionally healthy life. Some villages allow pets, but it is important to ask what their Pet policy is and get a written copy before making your decision.

Ask the following questions:

- What rules are in place for your existing pets? May you bring them with when you move?
- What will happen when these pets pass on? Are you allowed to acquire a new pet?
- Are there specific rules on kinds and sizes of pets?
- Are there any specific areas for pets?

General questions

- Is there a resident's committee or a Body corporate that is active in negotiating with the Management regarding the successful running of the facility?
- How are resident complaints and misunderstandings dealt with?
- Is there a "cooling off" period after signing?
- Can you spend a night or two, or even a half-day in the village, have a meal in the dining room and make use of some of the other facilities to experience life there and chat to some of the existing residents

One needs to do all of the above research, before committing to a retirement village or home – this to ensure that you spend the latter years of your life in an environment that is totally suited to your lifestyle and health needs.

Sources:

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